

DBEDT
THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
STATE OF HAWAII



QUARTERLY STATISTICAL & ECONOMIC REPORT, Executive Summary September 2001

TABLE of CONTENTS, Exec Summary

Part I. Economic Trends and Outlook

State of the Economy	3
Outlook of the Economy	4
Actual & Forecast Key Economic Indicators for Hawaii: 1999-2004	5
County Economic Conditions	6
2001 Selected Economic Activities:	
Table 1. State	7
Table 2. City & County of Honolulu	8
Table 3. Hawaii County	9
Table 4. Maui County	10
Table 5. Kauai County	11

Part II. Economic Overview and Data

A. Labor Force and Jobs	12
B. Income and Prices	13
B-1. Personal Income by Major Sources	14
B-9. Honolulu and U.S. CPI-U	15
C. Tax Revenues	16
C-1. Genl Fund Tax Rev & Major Comp	17
D. Tourism	18
D-1. Visitor Arrivals & Aver Daily Visitor Census- By Air	19
D-11. Hotel Occupancy Rate	20
E. Construction	21
E-1. Estim Value of Completed Construction, New Priv Bldg Auth & Gov't Contracts Awarded	22
F. Other Indicators	24

This *Quarterly Statistical and Economic Report* has been prepared by the staff of the Research and Economic Analysis Division of the State Department of Business, Economic Development & Tourism (DBEDT). The report provides concise statistical information and analyses on Employment, Income and Prices, Taxes, Tourism, and Construction, as well as an overview of the State of Hawaii and the four counties.

Director, Dr. Seiji F. Naya, heads the department. This report was prepared under the direction of the division administrator, Dr. Pearl Imada Iboshi.

Technical notes and source descriptions have been kept to a minimum. However, the staff of the Research and Economic Analysis Division would be happy to respond to any inquiries of a technical nature that readers may have (586-2466). The quarterly information contained in this report reflects data received by the Research Division on or before September 26, 2001.

On-line availability of *Quarterly Statistical and Economic Report*

Since 1988, the Hawaii Department of Business, Economic Development & Tourism has had the *State of Hawaii Data Book* available on-line to anyone with a personal computer and a modem. Since 1997, the *Quarterly Statistical and Economic Report*, *State of Hawaii Data Book* and other DBEDT publications and information have been made available over the Internet at <http://www.hawaii.gov/dbedt/index.html>.

Beginning in March 2000, the printing of the entire *QSER* has been discontinued. The full version will be available on-line at <http://www.hawaii.gov/dbedt/qser.html> and a *QSER Executive Summary* at <http://www.hawaii.gov/dbedt/latest.html> and is available on request by fax or e-mail.

For further information about available data and sources, users should call the Research and Economic Analysis Division's Business Resource Center at (808) 586-2424.

This report has been catalogued as follows:

Hawaii. Dept. of Business, Economic Development and Tourism. Research and Economic Analysis Division.

Quarterly statistical and economic report-State of Hawaii. Honolulu: 1975-

Quarterly.

Hawaii-Statistics.

HA4007.H359

STATE OF THE ECONOMY

Hawaii's economic performance was mixed in the second quarter of 2001. Growth continued strong in personal income, tax collections and construction permits and government contracts awarded. Softness was observed in visitor arrivals and employment.

In the second quarter of 2001, Hawaii's civilian employment exhibited a slight gain over the previous quarter and a modest 1.1 percent gain over the second quarter of 2000. But, the rate of unemployment also increased, rising by half a percent to 4.6 percent from first quarter 2001. This increase in both employment and unemployment was made possible by continued growth in the available labor force which rose 1.3 percent from second quarter 2000 to second quarter 2001 (Table A-1).

The retail trade sector and the services sector produced much of the job growth with increases of 2.8 percent and 2.7 percent respectively over the second quarter of 2000. Overall, government jobs decreased in number in the second quarter of 2001.

Personal income rose 5.9 percent in the first quarter of 2001 compared to the first quarter of 2000 (Table B-2). This was the fastest quarterly year-to-year growth rate since 1993. The largest increases occurred in wages and salaries with substantial increases also seen in proprietors' income and other labor income. Growth was more moderate for dividends, interest, and rent. All industries saw increases in earnings during the period.

Second-quarter State general fund tax revenue continued strongly positive, but at a lower rate of growth than that experienced in 2000. Growth came

from both the general excise tax and individual income tax receipts. Net corporate income tax receipts declined from the second quarter of 2000. Transient Accommodations Tax revenue grew by 1.3 percent in the second quarter.

Economic activity in the visitor industry declined in the second quarter of 2001. Both the number of visitor arrivals and the average daily visitor census decreased from the second quarter 2000, arrivals down by 3.1 percent and daily visitor census down by 3.4 percent. As a result, hotel occupancy rates also dropped.

Construction industry activity in the second quarter is continuing at a level above that of last year. Both the contracting tax base (a measure of construction put in place) and private building permit authorizations were higher than one year ago. The contracting tax base grew by 5.7 percent in the second quarter of 2001 compared to the same period in 2000. The number of units for which building permits were authorized expanded by 4.6 percent. Government contracts awarded were up a robust 82 percent from the previous second quarter.

Hawaii bankruptcy filings rose by 11.4 percent compared to the first quarter of 2000. Chapter 13 filings which rose by 16.8 percent and Chapter 7 filings rose by 10.8 percent. U.S. bankruptcy filings increased 24.5 percent from the second quarter of 2000 through the first quarter 2001.

OUTLOOK FOR THE ECONOMY

In past editions of the *Quarterly Statistical and Economic Report*, DBEDT has produced a set of forecasts of key economic indicators of Hawaii's economy. Forecasts will not be published in this edition.

DBEDT's forecasts are based on statistical analysis of historical data series. Following the unprecedented terrorist attacks of September 11, 2001, we are not confident that such analysis would provide meaningful results. The Department has, instead, done a preliminary simulation of the possible impacts of varying levels of decreased visitor arrivals.

The simulation uses as its starting point the decline in visitor arrivals experienced in Hawaii during the height of the Gulf War, which occurred in the first quarter of 1991. For that quarter, arrivals were 13 percent lower than the first quarter of 1990. If Hawaii were to experience a decline of that magnitude for the remainder of 2001, it would be equivalent to a 5 percent decline in visitors for the year. Based on a 5 percent year-to-year decline in visitor arrivals and expenditures, it was estimated that the economy would lose about \$500 million in output and an associated 12,000 jobs or a 1.8 percent decrease in total jobs.

To consider the possibility that the downturn caused by this event might be larger than that caused by the Gulf War, two other simulations were performed. The largest of these simulated a visitor decrease of 30 percent in the last quarter of 2001, which was approximated by a 10 percent year-to-year decline in visitors and visitor expenditure. This simulation produced a \$1 billion decrease in Hawaii's output and a loss of 28,000 jobs or a 4.1 percent decrease in total jobs.

DBEDT Director, Dr. Seiji Naya, considers the most dramatic scenario unlikely. "That's more than twice the rate of decline as compared to the Gulf War," he said. "Probably it's going to be more than the Gulf War, but it's not going to be twice as much..."

For readers interested in monitoring indicators of current economic conditions in Hawaii, DBEDT has added a page to its website which provides special daily tabulations of overseas passengers arriving at the state's airports and daily statistics on unemployment insurance claims. These data are being made available with the help of the State Departments of Transportation, Agriculture, and Labor and Industrial Relations. They can be viewed by going to the DBEDT website and clicking on "Special Visitor and Unemployment Updates".

<http://www.hawaii.gov/dbedt/special/index.html>

ACTUAL AND FORECAST KEY ECONOMIC INDICATORS FOR HAWAII: 1999 TO 2004

Note: No Forecast will be published in this *QSER*, *September 2001*.

See "OUTLOOK FOR THE ECONOMY" on the preceeding page for explanation and alternative indicators.

Visit the DBEDT website "Special Visitor and Unemployment Updates" at

<http://www.hawaii.gov/dbedt/special/index.html>

for indicators of current economic conditions in Hawaii.

COUNTY ECONOMIC CONDITIONS

The economies of all the counties continued to grow during the second quarter of 2001, but at a slower rate than in 2000. Indications of this continued growth are found in the figures for labor force, jobs and general excise tax revenues. Visitor arrival and hotel occupancy numbers were down for all islands.

The civilian labor force increased in all counties during the second quarter of 2001 compared to the year-earlier quarter. Maui County had the highest rate of growth with 1.5 percent (Table 4), followed by the City & County of Honolulu (1.3 percent, Table 2), Kauai County (0.9 percent, Table 5), and Hawaii County (0.8 percent, Table 4).

For two of the counties, civilian employment grew as rapidly as the labor force and the unemployment rate held steady. Maui County employment was up 1.4 percent, followed by Honolulu at 1.3 percent. In Hawaii County, civilian employment rose .4 percent and the number of laborers unemployed increased 6.9 percent. Only Kauai County saw a reduction in civilian employment (-0.7 percent). The number of people unemployed on Kauai jumped 25 percent over the second quarter of 2000. This can be partially attributed to the closing of the AMFAC/JMB plantations in Lihue and Kekaha.

Despite this mixed employment picture, non-agricultural wage and salary jobs expanded in all counties. Maui County led the growth with an increase of 2.5 percent. The City & County of Honolulu's non-agricultural job count grew by 1.6 percent, Hawaii County's increased by 1.5 percent and Kauai County non-ag jobs expanded by 0.8 percent.

Second quarter non-agricultural wage and salary job growth in the City & County of Honolulu was lead by services, particularly business services and also saw rapid growth in the manufacturing sector.

Hawaii County job growth was again high in construction (3.6 percent) and health services (5.0 percent). Finance, insurance and real estate was the job growth leader for the quarter at 14.6 percent.

Maui County's second quarter job growth came largely from the 9.4 percent job growth in retail trade. There was also strong growth in health and business services jobs.

Most of Kauai County's non-agricultural job growth also came from retail trade (4.4 percent), construction (5.0 percent) and positions in health services (6.9 percent).

Agricultural wage and salary jobs fell in all counties, the greatest percentage declines coming in Kauai County. Federal government jobs decreased in all counties, to some degree related to the completion of the census.

Visitor arrivals dropped in all counties during the second quarter. Arrivals declined in the mid-three-percent range in the counties of Honolulu, Maui and Kauai and 4.9 percent in Hawaii.

General excise tax revenues were up in all counties for the second quarter, most notably up 11.7 percent on Kauai. The City & County of Honolulu's GET revenues were up 3.7 percent, Hawaii County's were up 1.5 percent, and Maui's were up 1.0 percent.

Table 1. 2001 SELECTED ECONOMIC ACTIVITIES: STATE OF HAWAII

SERIES	UNIT	2nd QUARTER 2001		YEAR TO DATE	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	603,700	1.3	601,750	1.3
Civilian employment	Persons	575,950	1.1	575,500	1.4
Civilian unemployment	Persons	27,700	4.3	26,300	-1.5
Unemployment rate 2/	%	4.6	0.1	4.4	-0.1
Total non-agric. wage & salary jobs 1/	Jobs	561,500	1.6	559,800	2.3
Contract construction	Jobs	23,550	0.4	23,550	3.1
Manufacturing	Jobs	17,550	2.3	17,350	2.1
Transport., comm., utilities	Jobs	42,850	1.7	42,950	2.5
Trade	Jobs	139,300	2.7	139,150	2.9
Retail	Jobs	117,350	2.8	117,250	3.1
Finance, insur., & real estate	Jobs	33,850	1.8	33,700	0.6
Services & miscellaneous	Jobs	187,700	2.7	187,350	3.7
Hotels	Jobs	38,700	1.2	38,850	2.2
Health	Jobs	37,350	2.0	37,350	2.8
Business	Jobs	31,500	4.8	31,350	6.1
Government	Jobs	116,750	-1.1	115,750	-0.4
Federal	Jobs	30,500	-4.2	30,450	-2.4
State	Jobs	69,700	0.0	68,800	0.3
Local	Jobs	16,550	0.3	16,450	0.3
Agriculture wage & salary jobs 1/	Jobs	6,950	-9.7	6,950	-11.5
State general fund revenues	\$1,000	818,204	3.9	1,643,441	5.8
General excise and use tax revenues	\$1,000	407,800	3.5	844,687	3.5
Income-individual	\$1,000	284,311	2.1	550,144	4.7
Declaration of estimated taxes	\$1,000	97,989	8.7	153,456	3.0
Payment with returns	\$1,000	75,310	16.5	86,385	14.7
Withholding tax on wages	\$1,000	247,723	-0.9	517,456	2.2
Refunds	\$1,000	136,711	8.3	207,153	1.1
Transient accommodations tax	\$1,000	46,228	1.3	93,652	2.0
Visitor arrivals by air 3/	Persons	1,685,391	-3.1	3,409,050	-1.5
Domestic flight visitors	Persons	1,129,685	-3.1	2,209,447	-1.2
International flight visitors	Persons	555,706	-3.2	1,199,603	-2.1
Hotel occupancy rates 2/	%	70.0	-6.0	75.3	-1.1

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001

2/ Change represents absolute change in rates rather than percentage change in rates

3/ Preliminary data.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation
Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by
Hawaii State Department of Business, Economic Development & Tourism.

**Table 2. 2001 SELECTED ECONOMIC ACTIVITIES:
CITY AND COUNTY OF HONOLULU**

SERIES	UNIT	2nd QUARTER 2001		YEAR TO DATE	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	429,400	1.3	428,350	1.3
Civilian employment	Persons	412,750	1.3	412,400	1.6
Civilian unemployment	Persons	16,700	1.8	16,000	-4.2
Unemployment rate 2/	%	3.9	0.0	3.7	-0.2
Total non-agric. wage & salary jobs 1/	Jobs	419,000	1.6	417,800	2.2
Contract construction	Jobs	16,900	-0.6	17,150	3.3
Manufacturing	Jobs	13,750	3.0	13,550	2.3
Transport., comm., utilities	Jobs	33,750	2.3	33,850	3.2
Trade	Jobs	99,950	1.8	99,900	2.1
Retail	Jobs	82,300	1.9	82,250	2.2
Finance, insur., & real estate	Jobs	26,900	0.7	26,850	0.0
Services & miscellaneous	Jobs	134,200	3.4	133,900	4.3
Hotels	Jobs	16,650	1.5	16,650	2.1
Health	Jobs	30,200	1.7	30,200	2.2
Business	Jobs	26,450	6.2	26,350	6.5
Government	Jobs	93,550	-1.1	92,700	-0.5
Federal	Jobs	28,600	-2.9	28,550	-1.6
State	Jobs	53,650	-0.5	52,850	-0.1
Local	Jobs	11,300	0.4	11,250	0.0
Agriculture wage & salary jobs 1/	Jobs	2,050	-10.9	2,050	-12.8
General excise and use tax revenues	\$1,000	332,602	3.7	690,232	3.1
Income-individual	\$1,000	248,264	2.2	476,308	4.3
Declaration of estimated taxes	\$1,000	75,267	11.0	113,191	5.5
Payment with returns	\$1,000	56,053	13.4	64,859	12.5
Withholding tax on wages	\$1,000	217,402	-1.6	453,799	1.7
Refunds	\$1,000	100,459	5.6	155,539	0.8
Transient accommodations tax	\$1,000	34,785	3.4	70,529	4.4
Visitor arrivals by air 3/	Persons	1,137,344	-3.3	2,316,172	-0.8
Domestic flight visitors	Persons	634,478	-1.9	1,233,962	-0.1
International flight visitors	Persons	502,866	-4.9	1,082,210	-1.6
Hotel occupancy rates 2/	%	69.5	-5.3	75.2	-0.3

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary data. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

Table 3. 2001 SELECTED ECONOMIC ACTIVITIES: HAWAII COUNTY

SERIES	UNIT	2nd QUARTER 2001		YEAR TO DATE	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	71,000	0.8	70,800	1.1
Civilian employment	Persons	65,550	0.4	65,850	0.9
Civilian unemployment	Persons	5,450	6.9	5,000	4.2
Unemployment rate 2/	%	7.7	0.4	7.1	0.2
Total non-agric. wage & salary jobs 1/	Jobs	54,450	1.5	54,500	2.5
Contract construction	Jobs	2,850	3.6	2,800	5.7
Manufacturing	Jobs	1,550	-3.1	1,600	0.0
Transport., comm., utilities	Jobs	2,850	1.8	2,850	1.8
Trade	Jobs	13,800	0.7	13,900	1.8
Retail	Jobs	11,550	0.0	11,650	0.9
Finance, insur., & real estate	Jobs	2,750	14.6	2,750	10.0
Services & miscellaneous	Jobs	19,550	2.1	19,550	3.4
Hotels	Jobs	6,900	2.2	6,950	2.2
Health	Jobs	3,150	5.0	3,200	6.7
Business	Jobs	2,050	-6.8	2,050	2.5
Government	Jobs	11,100	-1.3	11,050	0.0
Federal	Jobs	950	-17.4	950	-13.6
State	Jobs	7,900	1.3	7,850	1.9
Local	Jobs	2,250	-2.2	2,250	0.0
Agriculture wage & salary jobs 1/	Jobs	2,250	-8.2	2,300	-9.8
General excise and use tax revenues	\$1,000	28,545	1.5	59,956	6.5
Income-individual	\$1,000	16,015	1.6	31,908	13.0
Declaration of estimated taxes	\$1,000	8,829	-2.9	15,962	1.5
Payment with returns	\$1,000	7,548	16.8	8,571	13.3
Withholding tax on wages	\$1,000	12,778	5.2	26,676	11.0
Refunds	\$1,000	13,140	10.0	19,300	1.1
Transient accommodations tax	\$1,000	2,814	-1.7	5,867	3.0
Visitor arrivals by air 3/	Persons	306,581	-4.9	632,578	-1.9
Domestic flight visitors	Persons	221,200	-8.1	453,299	-4.3
International flight visitors	Persons	85,381	4.7	179,279	5.0
Hotel occupancy rates 2/	%	61.3	-9.8	70.1	-1.3

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

Table 4. 2001 SELECTED ECONOMIC ACTIVITIES: MAUI COUNTY

SERIES	UNIT	2nd QUARTER 2001		YEAR TO DATE	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	73,600	1.5	73,050	1.2
Civilian employment	Persons	70,300	1.4	69,900	1.5
Civilian unemployment	Persons	3,300	1.5	3,150	-6.0
Unemployment rate 2/	%	4.5	0.0	4.3	-0.3
Total non-agric. wage & salary jobs 1/	Jobs	62,250	2.5	61,800	2.9
Contract construction	Jobs	2,700	0.0	2,550	-1.9
Manufacturing	Jobs	1,800	2.9	1,750	0.0
Transport., comm., utilities	Jobs	4,500	-1.1	4,450	-1.1
Trade	Jobs	17,850	8.2	17,750	8.2
Retail	Jobs	16,350	9.4	16,200	8.7
Finance, insur., & real estate	Jobs	3,050	0.0	3,000	0.0
Services & miscellaneous	Jobs	24,350	0.6	24,400	2.1
Hotels	Jobs	11,450	0.4	11,550	2.2
Health	Jobs	2,450	4.3	2,450	4.3
Business	Jobs	2,500	6.4	2,450	8.9
Government	Jobs	8,000	-0.6	7,900	0.0
Federal	Jobs	550	-26.7	550	-21.4
State	Jobs	5,450	0.9	5,450	1.9
Local	Jobs	1,950	2.6	1,900	2.7
Agriculture wage & salary jobs 1/	Jobs	1,950	-2.5	1,950	0.0
General excise and use tax revenues	\$1,000	34,860	1.0	70,711	2.1
Income-individual	\$1,000	13,890	-4.9	29,414	-2.8
Declaration of estimated taxes	\$1,000	10,059	3.3	17,526	-9.7
Payment with returns	\$1,000	6,995	21.6	7,839	18.0
Withholding tax on wages	\$1,000	12,968	5.5	27,293	2.8
Refunds	\$1,000	16,133	22.4	23,245	4.1
Transient accommodations tax	\$1,000	6,813	-9.7	13,638	-11.8
Visitor arrivals by air 3/	Persons	571,478	-3.5	1,143,048	-2.0
Domestic flight visitors	Persons	459,501	-6.3	889,378	-4.7
International flight visitors	Persons	111,977	9.7	253,670	8.9
Hotel occupancy rates 2/ 4/	%	76.0	-5.5	79.8	-3.3

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001

2/ Change represents absolute change in rates rather than percentage change in rates

3/ Preliminary. County-level data not yet revised

4/ Data represent Maui Island only.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation
Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by
Hawaii State Department of Business, Economic Development & Tourism.

Table 5. 2001 SELECTED ECONOMIC ACTIVITIES: KAUAI COUNTY

SERIES	UNIT	2nd QUARTER 2001		YEAR TO DATE	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	29,650	0.9	29,550	0.5
Civilian employment	Persons	27,400	-0.7	27,400	-0.4
Civilian unemployment	Persons	2,250	25.0	2,200	15.8
Unemployment rate 2/	%	7.6	1.5	7.4	1.0
Total non-agric. wage & salary jobs 1/	Jobs	25,850	0.8	25,750	1.4
Contract construction	Jobs	1,050	5.0	1,050	5.0
Manufacturing	Jobs	450	-10.0	500	11.1
Transport., comm., utilities	Jobs	1,800	2.9	1,800	2.9
Trade	Jobs	7,700	4.1	7,650	4.8
Retail	Jobs	7,150	4.4	7,100	4.4
Finance, insur., & real estate	Jobs	1,100	0.0	1,100	-4.3
Services & miscellaneous	Jobs	9,550	-1.5	9,550	0.0
Hotels	Jobs	3,700	0.0	3,700	1.4
Health	Jobs	1,550	6.9	1,500	3.4
Business	Jobs	500	-16.7	500	-16.7
Government	Jobs	4,150	-1.2	4,150	0.0
Federal	Jobs	400	-11.1	400	-11.1
State	Jobs	2,700	1.9	2,700	1.9
Local	Jobs	1,050	0.0	1,050	0.0
Agriculture wage & salary jobs 1/	Jobs	700	-22.2	700	-26.3
General excise and use tax revenues	\$1,000	11,792	11.7	23,789	12.3
Income-individual	\$1,000	6,141	19.0	12,515	21.2
Declaration estimated taxes	\$1,000	3,833	7.9	6,778	3.1
Payment with returns	\$1,000	4,714	57.6	5,117	48.8
With holding tax on wages	\$1,000	4,574	-0.5	9,689	3.1
Refunds	\$1,000	6,980	16.7	9,068	-0.2
Transient accommodations tax	\$1,000	1,816	14.2	3,618	15.3
Visitor arrivals by air 3/	Persons	271,134	-3.3	526,312	-1.5
Domestic flight visitors	Persons	221,248	-6.3	424,882	-3.4
International flight visitors	Persons	49,886	12.9	101,430	7.3
Hotel occupancy rates 2/	%	69.8	-7.1	71.6	-4.0

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

A. LABOR FORCE AND JOBS

In the second quarter of 2001, Hawaii's civilian employment exhibited a modest gain over the previous quarter and over the second quarter of 2000. It was the ninth straight quarter that civilian employment increased. However, the rate of unemployment also increased, rising by half a percent from first quarter 2001 to 4.6 percent.

This increase in both employment and unemployment was made possible by continued growth in the available labor force. Compared to the second quarter of 2000, the civilian labor force rose 1.3 percent (Table A-1). This follows the 1.2 percent first quarter 2001 year-to-year increase that was, until then, the fastest labor force increase since 1996.

Civilian employment increased 1.1 percent from the second quarter 2000 through the second quarter of 2001 (Table A-2). The number of unemployed increased by 4.3 percent over the same period (Table A-3). As a result, the unemployment rate rose from 4.5 percent to 4.6 percent (Table A-4). But initial agent and liable claims for unemployment are still lower than last year's level (Tables A-20 and A-21)

Non-agricultural wage and salary jobs increased by 1.6 percent measured year-to-year for the second quarter (Table A-5). The

retail trade sector and the services sector produced much of the job growth with increases of 2.8 percent and 2.7 percent respectively over the second quarter of 2000 (Tables A-11 and A-14). Retail trade set a new second quarter record for employment, 117,350 jobs, and services set a new all-time record number of jobs at 187,700.

A number of other industries also showed positive job growth in the second quarter of 2001 compared to the same period in 2000. Jobs increased in construction (0.4 percent, Table A-6); manufacturing (2.3 percent, Table A-7); transportation (2.8 percent, Table A-8); wholesale trade (1.6 percent, Table A-12); and finance, insurance and real estate (1.8 percent, Table A-13).

On the other hand, jobs declined in communications (-2.3 percent, Table A-9) and agriculture (-9.7 percent, Table A-19). Jobs held steady in utilities (Table A-10).

Overall, government jobs decreased in number in the second quarter of 2001. Federal government jobs fell 4.2 percent from the second quarter of 2000, state government jobs held steady (Table A-17) and local government jobs increased slightly (0.3 percent, Table A-18).

B. INCOME AND PRICES

Personal income continued to grow at a high rate during the first quarter of 2001 (the latest data available). The largest increases occurred in wages and salaries with substantial increases also seen in proprietors' income and other labor income. Growth was more moderate for dividends, interest, and rent. All industries saw increases in earnings during the period.

Personal income rose 5.9 percent in the first quarter of 2001 compared to the first quarter of 2000 (Table B-2). This was the fastest quarterly year-to-year growth rate since 1993.

Wage and salary growth was particularly strong. Wages and salaries rose by 7.7 percent in the first quarter of 2001 (Table B-3). Wages and salaries account for about 57 percent of personal income.

Other labor income, consisting of employer payments to retirement plans, private group health insurance plans, private workers compensation plans, and other such benefits, rose by a considerable 5.2 percent in the second quarter of 2001 compared to 2000 (Table B-4). This continues the positive trend in this personal income component, which is counter to the decreasing share it exhibited during the mid-1990s.

Proprietors' income, the income most closely related to entrepreneurial activity,

grew by 4.3 percent in the first quarter of 2001 compared to the first quarter of 2000 (Table B-5).

The other two personal income components also increased. Dividends, interest, and rent rose by 1.4 percent in the first quarter of 2000 (Table B-6). Transfer payments, consisting largely of retirement and medical payments, grew by 6.4 percent for the quarter.

Private sector earnings increased across all industries. In dollar terms, the largest increases came in services and retail trade followed by construction; transport and public utilities; and finance, insurance and real estate (Table B-1). Earnings also increased in the public sector, but by a smaller percentage. Most of the public sector increase can be attributed to the military.

These robust increases in personal income are all the more significant, since inflation is relatively low. The Honolulu Consumer Price Index rose by only 1.3 percent in the first half of 2001 compared to the same period in 2000 (Table B-9). This was lower than was expected for Honolulu and also much lower than the 3.4 percent inflation experienced on the Mainland during the period.

Table B-1. PERSONAL INCOME FOR HAWAII BY MAJOR SOURCES

[In Millions of Dollars at Seasonally Adjusted Annual Rates]

Series	Annual average 1999	First Quarter 2000	Fourth Quarter 2000	Annual average 2000	First Quarter 2001	To First Quarter 2001 From		Annual average
						First Quarter 2000	Fourth Quarter 2000	2000 from 1999
PERSONAL INCOME	32,641	33,502	34,919	34,219	35,476	5.9	1.6	4.8
Earnings By Place of Work	23,664	24,265	25,534	24,900	25,983	7.1	1.8	5.2
Wage and salary disbursements	18,299	18,791	19,894	19,342	20,246	7.7	1.8	5.7
Other labor income	2,816	2,800	2,897	2,840	2,946	5.2	1.7	0.9
Proprietors' income	2,549	2,675	2,743	2,718	2,791	4.3	1.7	6.7
Farm proprietors' income	11	13	19	15	47	261.5	147.4	38.1
Nonfarm proprietors' income	2,538	2,662	2,724	2,704	2,745	3.1	0.8	6.5
Dividends, interest, and rent	6,342	6,513	6,591	6,551	6,605	1.4	0.2	3.3
Transfer payments	3,933	4,049	4,176	4,121	4,308	6.4	3.2	9.5
Less: Pers. cont. for social insur.	1,297	1,325	1,382	1,353	1,420	7.2	2.7	4.3
Earnings By Industry	23,663	24,265	25,534	24,900	25,983	7.1	1.8	5.2
Farm Earnings	191	198	222	209	255	28.8	14.9	9.0
Nonfarm Earnings	23,472	24,067	25,312	24,692	25,728	6.9	1.6	5.2
Private Earnings	16,232	16,798	17,895	17,385	18,185	8.3	1.6	7.1
Ag. serv., forestry, fishing & oth	143	157	159	157	161	2.5	1.3	9.8
Mining	21	21	23	22	24	14.3	4.3	4.7
Construction	1,326	1,433	1,550	1,497	1,571	9.6	1.4	12.9
Manufacturing	659	677	738	704	714	5.5	-3.3	6.8
Transport. and public utilities	1,811	1,872	1,959	1,915	2,010	7.4	2.6	5.7
Wholesale trade	822	847	893	868	903	6.6	1.1	5.7
Retail trade	2,629	2,709	2,876	2,788	2,927	8.0	1.8	6.1
Finance, insur., and real estate	1,950	1,988	2,033	2,050	2,081	4.7	2.4	5.1
Services	6,872	7,095	7,664	7,384	7,794	9.9	1.7	7.5
Gov't and gov't enterprises	7,240	7,269	7,417	7,307	7,543	3.8	1.7	0.9
Federal	4,138	4,205	4,287	4,241	4,425	5.2	3.2	2.5
Federal, civilian	1,840	1,875	1,890	1,875	1,955	4.3	3.4	1.9
Military	2,298	2,330	2,397	2,366	2,470	6.0	3.0	2.9
State and local	3,102	3,064	3,129	3,066	3,117	1.7	-0.4	-1.2

Source data for 2000 Q1 through 2000 Q4 and annual average 2000 have been revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, State Quarterly Personal Income, July 24, 2001, <<http://www.bea.doc.gov/bea/regional/sq/>> and tabulations by the Hawaii State Department of Business, Economic Development & Tourism.

**Table B-9. HONOLULU and U.S. CONSUMER PRICE INDEX,
ALL URBAN CONSUMERS (CPI-U)
[1982-84=100]**

Period	U.S.	Honolulu								
		All Items	Food & Beverages	Housing	Apparel & Upkeep	Transportation	Medical Care	Recreation 1/	Educ. & Comm. 1/	Other Goods & Services
1992	140.3	155.1	148.5	161.7	114.2	147.4	182.6	(NA)	(NA)	189.0
1993	144.5	160.1	152.9	166.5	116.5	150.5	197.4	(NA)	(NA)	200.1
1994	148.2	164.5	153.4	171.6	118.7	156.4	206.0	(NA)	(NA)	209.6
1995	152.4	168.1	156.8	174.7	117.5	162.4	209.8	(NA)	(NA)	216.8
1996	156.9	170.7	156.6	176.8	118.5	167.0	215.0	(NA)	(NA)	226.5
1997	160.5	171.9	159.2	177.1	117.3	166.2	217.3	(NA)	(NA)	239.0
1998	163.0	171.5	159.1	176.0	112.2	162.5	226.1	100.8	99.1	256.1
1999	166.6	173.3	162.9	175.8	105.4	162.2	231.3	101.9	104.5	275.6
2000	172.2	176.3	164.8	177.9	103.5	169.6	239.8	102.8	106.5	279.7
1995H1	151.5	166.9	156.5	173.4	118.1	160.0	207.8	(NA)	(NA)	214.4
H2	153.2	169.4	157.1	176.0	116.9	164.9	211.8	(NA)	(NA)	219.2
1996H1	155.8	170.5	156.9	176.8	120.0	166.3	214.9	(NA)	(NA)	220.6
H2	157.9	171.0	156.3	176.8	116.9	167.7	215.0	(NA)	(NA)	232.4
1997H1	159.9	172.1	159.4	177.3	119.8	167.8	215.6	(NA)	(NA)	232.5
H2	161.2	171.8	159.0	177.0	114.8	164.6	219.1	(NA)	(NA)	245.5
1998H1	162.3	172.0	160.0	176.3	116.4	163.2	222.5	101.4	98.9	254.3
H2	163.7	171.0	158.2	175.7	108.0	161.8	229.8	100.3	99.3	258.0
1999H1	165.4	172.7	162.4	175.5	106.0	162.3	231.0	101.3	102.6	273.9
H2	167.8	173.8	163.5	176.0	104.9	162.0	231.5	102.5	106.4	277.3
2000H1	2/ 170.8	175.9	165.5	177.3	104.5	167.7	235.9	103.1	107.3	277.5
H2	173.6	176.7	164.1	178.5	102.6	171.5	243.8	102.6	105.6	281.9
2000H1	176.6	178.1	168.3	178.8	99.7	176.0	246.1	102.1	103.5	287.5
Percentage Change from the Same Period in Previous Year										
1992	3.0	4.8	1.8	5.8	3.3	5.8	6.6	(NA)	(NA)	7.6
1993	3.0	3.2	3.0	3.0	2.0	2.1	8.1	(NA)	(NA)	5.9
1994	2.6	2.7	0.3	3.1	1.9	3.9	4.4	(NA)	(NA)	4.7
1995	2.8	2.2	2.2	1.8	-1.0	3.8	1.8	(NA)	(NA)	3.4
1996	2/ 3.0	1.5	-0.1	1.2	0.9	2.8	2.5	(NA)	(NA)	4.5
1997	2.3	0.7	1.7	0.2	-1.0	-0.5	1.1	(NA)	(NA)	5.5
1998	1.6	-0.2	-0.1	-0.6	-4.3	-2.2	4.0	(NA)	(NA)	7.2
1999	2.2	1.0	2.4	-0.1	-6.1	-0.2	2.3	1.1	5.4	7.6
2000	3.4	1.7	1.2	1.2	-1.8	4.6	3.7	0.9	1.9	1.5
1995H1	2/ 2.9	2.1	3.2	1.8	-0.8	2.6	1.6	(NA)	(NA)	3.3
H2	2.6	2.2	1.2	1.9	-1.1	5.2	2.1	(NA)	(NA)	3.5
1996H1	2.8	2.2	0.3	2.0	1.6	3.9	3.4	(NA)	(NA)	2.9
H2	3.1	0.9	-0.5	0.5	0.0	1.7	1.5	(NA)	(NA)	6.0
1997H1	2/ 2.7	0.9	1.6	0.3	-0.2	0.9	0.3	(NA)	(NA)	5.4
H2	2.1	0.5	1.7	0.1	-1.8	-1.8	1.9	(NA)	(NA)	5.6
1998H1	1.5	-0.1	0.4	-0.6	-2.8	-2.7	3.2	(NA)	(NA)	9.4
H2	1.6	-0.5	-0.5	-0.7	-5.9	-1.7	4.9	(NA)	(NA)	5.1
1999H1	1.9	0.4	1.5	-0.5	-8.9	-0.6	3.8	-0.1	3.7	7.7
H2	2.5	1.6	3.4	0.2	-2.9	0.1	0.7	2.2	7.2	7.5
2000H1	2/ 3.3	1.9	1.9	1.0	-1.4	3.3	2.1	1.8	4.6	1.3
H2	3.5	1.7	0.4	1.4	-2.2	5.9	5.3	0.1	-0.8	1.7
2001H1	3.4	1.3	1.7	0.8	-4.6	4.9	4.3	-1.0	-3.5	3.6

Data on U.S. CPI are released monthly and Honolulu CPI, twice a year in February and August for the half (H) year previous.

NA Not available.

1/ New indexes as of January 1998. Base period is December 1997. The former "Entertainment" index has been discontinued.

2/ Revised.

Source: U.S. Bureau of Labor Statistics, <<http://stats.bls.gov>>, Fax-on-Demand (415) 975-4567, and Information (415) 975-4350.

BLS Public Access: <<http://146.142.4.24/labjava/outside.jsp?survey=cu>>, accessed August 16, 2001.

BLS Hono CPI News Releases, <<http://stats.bls.gov/special.requests/sanfrancisco/cpihono.htm>>, accessed August 16, 2001.

C. TAX REVENUES

Second-quarter State general fund tax revenue continued strongly positive, but at a lower rate of growth than that experienced in 2000. Growth came from both the general excise tax and individual income tax receipts. Net corporate income tax receipts declined from the second quarter of 2000.

State general fund tax revenue grew by 3.9 percent from the second quarter of 2000 to the second quarter of 2001 (Tables C-1 and C-2). This growth follows the record annual average growth of 8 percent in 2000. Calendar-year second quarter collections completed the state's Fiscal Year 2001 during which accruals to the general fund increased 6.2 percent which is slightly less than the 6.4 percent increase projected by the Council on Revenues (*Revenue Trends – June 2001*, Hawaii Department of Taxation Monthly Report).

Growth in tax revenues during the second quarter of 2001 was relatively well balanced between general excise and use tax (GET) revenues and revenues from individual income tax. GET revenue expanded by 3.5 percent from the second quarter of 2000 to the second quarter 2001 (Table C-3). The "weekend effect" was equalized in the second quarter by some GET receipts from March 2001, which ended on a weekend, being pushed into April and some receipts being pushed from June into July.

In the second quarter 2001 net individual income tax revenue grew by 2.1 percent, following 2.5 percent growth in 2000 (Table C-4). Net individual income tax revenues consist of several components. Growth occurred in spite of a decrease in the largest component, withholding tax on wages, which declined by .9 percent (Table C-7) and a substantial increase of 8.3 percent in refunds (Table C-8). These negative elements were offset by gains of 8.7 percent in declarations of estimated taxes (Table C-5) and 16.5 percent in payments with returns (Table C-6).

Net corporate income tax revenue declined by 20.3 percent in the second quarter of 2001 compared to the year-earlier quarter (Table C-9). This is notable in that the second quarter has consistently accounted for more than half the annual corporate income tax collections over the last several years.

Transient Accommodations Tax (TAT) revenue grew by 1.3 percent in the second quarter (Table C-13). This is the lowest rate of growth of quarterly year-over-year since the end of 1998. Note that the year-to-year growth rate comparison are influenced by rate and tax base changes which were implemented on January 1, 1999. At that time the TAT rate was increased from 6 percent to 7.25 percent and the tax base was expanded to include time-share units.

Table C-1. GENERAL FUND TAX REVENUES AND MAJOR COMPONENTS

Year		General Excise and Use Tax	Net Individual Income Tax 1/	Net Corporate Income Tax 2/	Tax Revenues Distributed to State General Fund
In Thousands of Dollars					
1990		1,250,203	743,114	86,269	2,246,752
1991		1,287,819	1,174,144	70,568	2,397,289
1992		1,299,814	922,206	42,737	2,523,670
1993		1,308,797	951,405	22,239	2,555,912
1994		1,347,945	1,003,480	34,228	2,672,291
1995		1,386,684	918,811	37,336	2,614,713
1996		1,469,766	995,456	51,243	2,799,972
1997		1,433,012	985,000	55,594	2,756,621
1998		1,436,654	1,093,241	50,112	2,889,291
1999		1,454,731	1,053,858	47,692	2,841,290
2000		1,611,446	1,080,371	67,650	3,067,622
1998	1 Qtr.	375,018	247,815	10,592	714,466
	2 Qtr.	348,955	291,713	30,408	743,003
	3 Qtr.	360,313	283,430	15,479	738,957
	4 Qtr.	352,368	270,283	-6,368	692,866
1999	1 Qtr.	369,292	238,606	7,428	686,437
	2 Qtr.	365,306	276,392	26,104	735,905
	3 Qtr.	372,436	277,965	14,119	735,969
	4 Qtr.	347,698	260,895	41	682,978
2000	1 Qtr.	422,222	247,130	17,358	765,790
	2 Qtr.	393,873	278,567	36,696	787,612
	3 Qtr.	400,698	285,983	9,985	774,265
	4 Qtr.	394,653	268,692	3,610	739,955
2001	1 Qtr.	436,888	265,833	17,932	825,236
	2 Qtr.	407,800	284,311	29,265	818,204
Percentage Change from the Same Period in Previous Year					
1991		3.0	21.2	-18.2	6.7
1992		0.9	2.4	-39.4	5.3
1993		0.7	3.2	-48.0	1.3
1994		3.0	5.5	53.9	4.6
1995		2.9	-8.4	9.1	-2.2
1996		6.0	8.3	37.2	7.1
1997		-2.5	-1.1	8.5	-1.5
1998		0.3	11.0	-9.9	4.8
1999		1.3	-3.6	-4.8	-1.7
2000		10.8	2.5	41.8	8.0
1998	1 Qtr.	2.7	9.0	-41.3	3.7
	2 Qtr.	-4.8	36.7	-5.9	9.9
	3 Qtr.	1.1	5.1	46.1	4.9
	4 Qtr.	2.2	-1.5	-18.3	0.9
1999	1 Qtr.	-1.5	-3.7	-29.9	-3.9
	2 Qtr.	4.7	-5.3	-14.2	-1.0
	3 Qtr.	3.4	-1.9	-8.8	-0.4
	4 Qtr.	-1.3	-3.5	100.6	-1.4
2000	1 Qtr.	14.3	3.6	133.7	11.6
	2 Qtr.	7.8	0.8	40.6	7.0
	3 Qtr.	7.6	2.9	-29.3	5.2
	4 Qtr.	13.5	3.0	8704.9	8.3
2001	1 Qtr.	3.5	7.6	3.3	7.8
	2 Qtr.	3.5	2.1	-20.3	3.9

These series represent data as reported by the Hawaii State Department of Taxation, without adjustment.

1/ Declaration of estimated taxes, plus payments with returns, plus withholding tax on wages, less refunds.

Individual income tax rates changed effective January 1, 1999.

2/ Declaration of estimated taxes, plus payments with returns, less refunds.

Source: Hawaii State Department of Taxation.

D. TOURISM

Economic activity in the visitor industry declined in the second quarter of 2001. Both the number of visitor arrivals and the average daily visitor census decreased from the second quarter 2000. As a result, hotel occupancy rates also dropped.

The number of visitors arriving by air decreased by 3.1 percent from the second quarter of 2000 to the second quarter of 2001 (Table D-2). This was the first quarterly decline in total visitor arrivals since the second quarter of 1999.

Looking at where the flights originated, the number of travelers on domestic flights declined by 3.1 percent and the number on international flights fell by 3.2 percent (Tables D-3 and D-4). This was the weakest quarterly growth rate for total visitor arrivals since 1998.

Considering visitors from various major market areas, the greatest absolute and relative decrease was in Japanese visitor arrivals, which decreased by about 45,000 or 10 percent from second quarter 2000 to the second quarter 2001 (Table D-7).

From the two U.S. Mainland markets, visitors from the U.S. West declined by 0.2 percent (Table D-5) while U.S. East visitor

arrivals fell by 1.2 percent over the period (Table D-6).

Average daily census numbers were also down by 3.4 percent in the second quarter (Table D-8). The average daily census reflects both arrivals and length of stay. Results for the second quarter were mixed for domestic and international arrivals.

By flight direction, the domestic visitor census decreased by 8.6 percent in the second quarter (Table D-9), while the international visitor census increased by 12.8 percent (Table D-10). These growth rates imply that, between the second quarters of 2000 and 2001, average length of stay decreased for domestic arrivals and increased for international arrivals.

Hotel occupancy rates also dropped, decreasing from 74.5 percent in the second quarter of 2000 to 70.0 percent in the second quarter of 2001 (Table D-11). This drop in occupancy is to be expected when arrivals and visitor census decline.

Readers interested in reviewing visitor statistics on a monthly basis can find them at <http://www.hawaii.gov/dbedt/monthly/index.html>.

Table D-1. VISITOR ARRIVALS AND AVERAGE DAILY VISITOR CENSUS - BY AIR

Year	Visitor Arrivals 1/			Average Daily Visitor Census		
	Total	Domestic	International	Total	Domestic	International
1990	6,723,531	4,315,161	2,408,370	154,517	113,066	41,450
1991	6,518,460	4,068,508	2,449,952	147,323	105,686	41,637
1992	6,473,669	3,791,945	2,681,724	152,249	106,589	45,660
1993	6,070,995	3,570,059	2,500,936	147,498	100,430	47,068
1994	6,364,674	3,813,279	2,551,395	156,630	107,904	48,726
1995	6,546,759	3,743,474	2,803,285	157,098	105,649	51,450
1996	6,723,141	3,794,113	2,929,028	158,297	106,404	51,892
1997	6,761,135	3,890,798	2,870,337	157,187	108,019	49,168
1998	6,595,790	4,014,140	2,581,650	157,389	112,068	45,320
1999	6,741,037	4,255,621	2,485,416	164,439	117,998	46,441
2000	6,948,594	4,446,936	2,501,659	168,277	123,780	44,497
1998 1 Qtr.	1,668,494	973,221	695,273	168,313	117,377	50,936
2 Qtr.	1,616,987	1,035,106	581,881	148,818	110,319	38,499
3 Qtr.	1,724,849	1,040,587	684,262	158,423	111,721	46,701
4 Qtr.	1,585,460	965,226	620,234	154,146	108,952	45,193
1999 1 Qtr.	1,688,751	1,021,745	667,006	174,588	120,018	54,570
2 Qtr.	1,615,842	1,058,106	557,736	151,621	112,905	38,716
3 Qtr.	1,799,719	1,132,114	667,605	169,672	121,730	47,942
4 Qtr.	1,636,726	1,043,657	593,069	161,956	117,326	44,630
2000 1 Qtr.	1,720,922	1,070,247	650,675	172,248	124,638	47,610
2 Qtr.	1,739,432	1,165,262	574,171	164,915	125,173	39,742
3 Qtr.	1,818,701	1,159,909	658,792	171,445	126,075	45,370
4 Qtr.	1,669,539	1,051,518	618,021	162,677	117,911	44,766
2001 1 Qtr.	1,723,659	1,079,762	643,897	177,763	126,539	51,225
2 Qtr.	1,685,391	1,129,685	555,706	159,300	114,462	44,838
Percentage Change from the Same Period in Previous Year						
1991	-3.1	-5.7	1.7	-4.7	-6.5	0.5
1992	-0.7	-6.8	9.5	3.3	0.9	9.7
1993	-6.2	-5.9	-6.7	-3.1	-5.8	3.1
1994	4.8	6.8	2.0	6.2	7.4	3.5
1995	2.9	-1.8	9.9	0.3	-2.1	5.6
1996	2.7	1.4	4.5	0.8	0.7	0.9
1997	0.6	2.5	-2.0	-0.7	1.5	-5.2
1998	-2.4	3.2	-10.1	0.1	3.7	-7.8
1999	2.2	6.0	-3.7	4.5	5.3	2.5
2000	3.1	4.5	0.7	2.3	4.9	-4.2
1998 1 Qtr.	-2.1	2.2	-7.5	5.6	9.4	-2.4
2 Qtr.	0.0	7.1	-10.5	-2.3	2.5	-13.8
3 Qtr.	-4.1	1.9	-12.0	-4.2	-0.7	-11.6
4 Qtr.	-3.4	1.6	-10.3	1.6	4.1	-3.8
1999 1 Qtr.	1.2	5.0	-4.1	3.7	2.3	7.1
2 Qtr.	-0.1	2.2	-4.1	1.9	2.3	0.6
3 Qtr.	4.3	8.8	-2.4	7.1	9.0	2.7
4 Qtr.	3.2	8.1	-4.4	5.1	7.7	-1.2
2000 1 Qtr.	1.9	4.7	-2.4	-1.3	3.8	-12.8
2 Qtr.	7.6	10.1	2.9	8.8	10.9	2.6
3 Qtr.	1.1	2.5	-1.3	1.0	3.6	-5.4
4 Qtr.	2.0	0.8	4.2	0.4	0.5	0.3
2001 1 Qtr.	0.2	0.9	-1.0	3.2	1.5	7.6
2 Qtr.	-3.1	-3.1	-3.2	-3.4	-8.6	12.8

Note: 2000 data were revised by Hawaii State Department of Business, Economic Development & Tourism.

1/ Staying overnight or longer.

Source: Hawaii State Department of Business, Economic Development & Tourism.

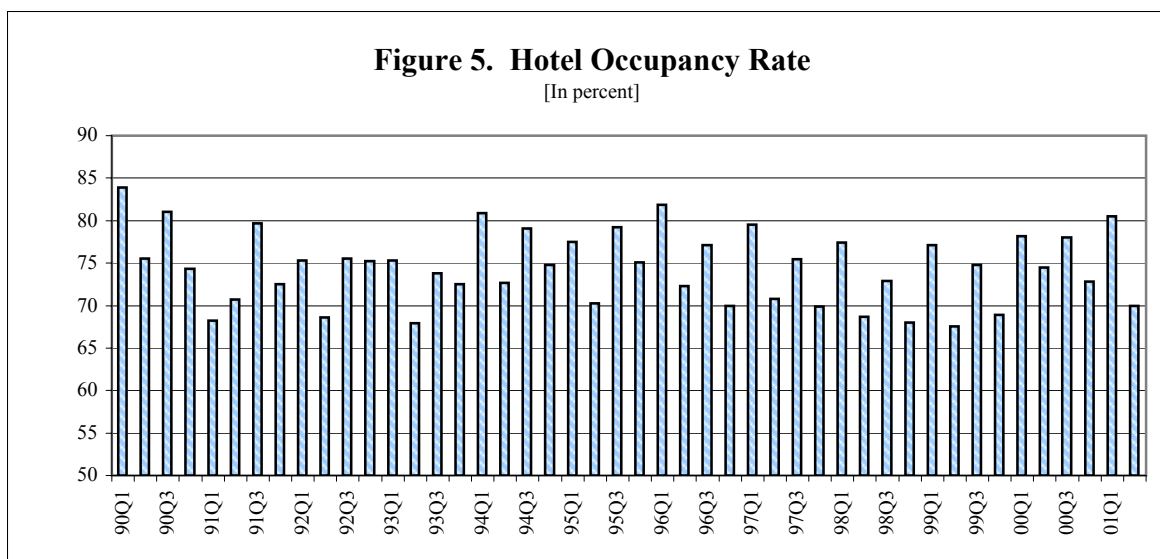
Table D-11. HOTEL OCCUPANCY RATE

<i>Year</i>	<i>First Quarter</i>	<i>Second Quarter</i>	<i>Third Quarter</i>	<i>Fourth Quarter</i>	<i>Annual</i>
In Percent					
1982	79.0	65.9	70.9	66.7	70.4
1983	75.2	68.1	71.7	66.5	69.7
1984	84.0	75.6	74.6	75.1	76.0
1985	88.1	69.1	75.0	72.5	76.1
1986	87.0	78.8	79.9	76.8	81.7
1987	88.0	77.1	82.1	77.8	81.1
1988	81.7	75.1	81.3	75.1	78.5
1989	85.9	73.9	81.0	75.7	79.0
1990	83.9	75.5	81.0	74.3	78.8
1991	68.2	70.7	79.7	72.5	72.4
1992	75.3	68.6	75.5	75.2	72.7
1993	75.3	67.9	73.8	72.5	72.0
1994	80.9	72.7	79.1	74.8	76.5
1995	79.5	70.3	79.2	75.1	75.8
1996	81.9	72.3	77.1	70.0	75.2
1997	79.5	70.8	75.5	69.9	73.9
1998	77.4	68.7	72.9	68.0	71.5
1999	77.1	67.5	74.8	68.9	72.1
2000	78.2	74.5	78.0	72.8	76.0
2001	80.5	70.0	(NA)	(NA)	(NA)

NA Not available.

Quarterly averages are computed by Hawaii State Department of Business, Economic Development & Tourism from PKF-Hawaii monthly averages through January 1995 and PricewaterhouseCoopers monthly averages from February 1995.

Sources: Hawaii State Department of Business, Economic Development & Tourism, PKF-Hawaii and Smith Travel Research, PricewaterhouseCoopers LLP.



E. CONSTRUCTION

Construction industry activity in the second quarter of 2001 is continuing at a level above that of last year. Both the contracting tax base (a measure of construction put-in-place) and private building permit authorizations remained higher than one year ago.

The contracting tax base, the activity subject to the general excise tax, grew by 5.7 percent from the second quarter of 2000 to the second quarter of 2001 (Table E-1). The contracting tax base is a proxy for completed construction. This measure grew by almost 21 percent in 2000.

Private building permit authorizations, a measure of prospective construction activity, also showed positive growth, expanding by 4.6 percent in the second quarter of 2001 from the year-earlier quarter. The increase in permit authorizations came both in the residential and in the commercial and industrial sectors. Permits for alterations declined again in the second quarter 2001 from the year-earlier quarter as they did in the first quarter. The value of residential permits was up 13.6 percent, commercial and industrial up 6.9 percent and additions and alterations were down 10.9 percent. The number of multi-family units authorized doubled while the number of units authorized for single-family

projects declined slightly (Tables E-2 and E-3).

Table E-6 shows that, by county, building permits expanded over the second quarter of 2000 in Hawaii County (19.4 percent) and Kauai (114.2 percent). The burst of activity on Kauai appears to be related to construction of the Marriott Waiohai Beach Club. Permit values fell in the City & County of Honolulu (-3.9 percent) and Maui County (-22.3 percent).

Construction jobs also showed positive, but slow, growth in the second quarter as compared to 2000. Construction jobs rose 0.4 percent from the second quarter of 2000 to the first quarter of 2001 (Table 1). Construction jobs continued to grow in Hawaii County (3.6 percent, Table 3) and Kauai County (5.0 percent, Table 5). Construction jobs held steady on Maui in the second quarter (Table 4) and fell 0.6 percent in the City & County of Honolulu (Table 2).

Government contracts awarded are up from last year, increasing 81.9 percent from the second quarter of 2000 to the second quarter of 2001 (Table E-1). State Capital Improvement Projects (CIP) dropped again this quarter (-7.6 percent, Table E-11), but less than they did in the first quarter

**Table E-1. ESTIMATED VALUE OF COMPLETED CONSTRUCTION,
NEW PRIVATE BUILDING AUTHORIZATIONS, AND
GOVERNMENT CONTRACTS AWARDED**

Year	Contracting tax base 1/	Private Building Authorization				Government
		Total Private Authorizations	Residential	Commercial & Industrial 2/	Additions & Alterations	Contracts Awarded
In Millions of Dollars						
1982	1,294.9	683.1	299.2	242.9	141.1	391.6
1983	1,353.4	685.2	296.2	203.2	185.9	275.0
1984	1,242.9	581.5	327.7	104.0	149.9	388.7
1985	1,367.7	888.9	500.1	208.8	180.1	248.9
1986	1,808.0	1,025.2	455.5	267.4	302.3	422.7
1987	2,003.1	1,161.9	507.0	344.4	310.5	370.9
1988	2,487.6	1,546.5	689.2	541.2	316.1	665.0
1989	3,112.8	1,882.4	910.7	561.8	409.9	725.2
1990	4,003.7	2,101.8	952.3	698.0	451.5	825.5
1991	4,334.1	2,151.8	1,192.0	556.2	403.7	729.4
1992	4,012.7	1,751.9	811.1	532.3	408.5	1,159.1
1993	3,803.6	1,505.4	742.1	308.0	455.3	651.8
1994	3,322.3	1,612.9	849.3	370.3	393.4	693.0
1995	3,133.5	1,531.3	745.5	368.3	417.5	490.2
1996	3,285.1	1,117.8	487.0	252.8	378.0	885.5
1997	2,944.4	1,179.2	542.5	264.5	372.2	615.6
1998	3,016.0	1,054.3	485.5	205.6	363.2	685.5
1999	2,991.2	1,320.2	628.8	306.2	385.3	584.8
2000 3/	3,613.5	1,512.6	800.1	246.2	466.2	810.9
1997 1 Qtr.	685.9	258.9	88.4	72.8	97.8	181.8
2 Qtr.	777.1	425.6	220.8	93.6	111.9	121.6
3 Qtr.	734.1	266.0	132.8	46.8	86.3	200.9
4 Qtr.	747.3	228.7	100.5	51.3	76.2	111.3
1998 1 Qtr.	757.1	260.4	118.2	50.3	91.9	155.3
2 Qtr.	706.3	246.7	121.3	48.5	76.9	127.5
3 Qtr.	793.6	296.0	123.5	55.1	117.3	218.7
4 Qtr.	759.0	251.3	122.6	51.7	77.0	183.5
1999 1 Qtr.	732.1	342.9	141.6	125.0	76.3	177.3
2 Qtr.	737.0	314.3	153.4	72.4	88.5	104.6
3 Qtr.	758.1	314.1	151.1	63.9	99.0	147.1
4 Qtr.	764.0	348.9	182.6	45.0	121.4	155.8
2000 1 Qtr.	877.6	351.8	203.3	61.3	87.3	217.1
2 Qtr.	869.1	392.9	194.9	72.9	125.1	96.6
3 Qtr.	894.9	377.4	204.1	59.2	114.2	405.1
3/ 4 Qtr.	971.8	390.4	197.9	52.9	139.7	92.1
2001 1 Qtr.	920.5	360.7	184.5	96.6	79.6	178.0
2 Qtr.	918.4	410.8	221.5	77.9	111.5	175.7

First Hawaiian Bank has discontinued compiling Government Contracts Awarded. Hawaii State Department of Business, Economic Development & Tourism has compiled preliminary estimates beginning with the fourth quarter 1997 based on data in *Building Industry*.

1/ Formerly, this category was "Value of Construction Completed", subject to revision by Hawaii State Department of Taxation.

2/ Includes hotels.

3/ Kauai County data for November consist of residential data only.

Source: Hawaii State Department of Taxation; F. W. Dodge; county building departments; First Hawaiian Bank *Building Industry Magazine* (various issues) and tabulations by Hawaii State Department of Business, Economic Development & Tourism.

**Table E-1. ESTIMATED VALUE OF COMPLETED CONSTRUCTION,
NEW PRIVATE BUILDING AUTHORIZATIONS, AND
GOVERNMENT CONTRACTS AWARDED - Con.**

Year	Contracting tax base 1/	Private Building Authorization				Government
		Total Private Authorizations	Residential	Commercial & Industrial 2/	Additions & Alterations	Contracts Awarded
Percentage Change from the Same Period in Previous Year						
1982	-19.8	-14.8	-24.9	0.9	-13.4	-8.8
1983	4.5	0.3	-1.0	-16.3	31.8	-29.8
1984	-8.2	-15.1	10.6	-48.8	-19.4	41.3
1985	10.0	52.9	52.6	100.8	20.1	-36.0
1986	32.2	15.3	-8.9	28.1	67.9	69.8
1987	10.8	13.3	11.3	28.8	2.7	-12.3
1988	24.2	33.1	35.9	57.1	1.8	79.3
1989	25.1	21.7	32.1	3.8	29.7	9.1
1990	28.6	11.7	4.6	24.2	10.1	13.8
1991	8.3	2.4	25.2	-20.3	-10.6	-11.6
1992	-7.4	-18.6	-32.0	-4.3	1.2	58.9
1993	-5.2	-14.1	-8.5	-42.1	11.5	-43.8
1994	-12.7	7.1	14.4	20.2	-13.6	6.3
1995	-5.7	-5.1	-12.2	-0.5	6.1	-29.3
1996	4.8	-27.0	-34.7	-31.4	-9.5	80.6
1997	-10.4	5.4	11.4	4.4	-1.5	-30.5
1998	2.4	-10.5	-10.5	-22.1	-2.4	11.4
1999	-0.8	25.2	29.5	48.9	6.1	-14.7
2000 3/	20.8	14.6	27.2	-19.6	21.0	38.7
1997 1 Qtr.	-16.8	-7.7	-25.3	-7.2	16.8	-43.1
2 Qtr.	-4.6	58.7	122.5	49.8	5.0	55.9
3 Qtr.	-12.5	-24.5	-25.3	-27.7	-21.4	-37.9
4 Qtr.	-7.5	5.8	10.1	8.7	-5.8	-32.3
1998 1 Qtr.	10.4	0.6	33.7	-30.9	-6.0	-14.6
2 Qtr.	-9.1	-42.0	-45.1	-48.2	-30.8	4.8
3 Qtr.	8.1	11.3	-7.0	17.7	35.9	8.9
4 Qtr.	1.6	10.2	22.1	0.7	1.0	64.9
1999 1 Qtr.	-3.3	31.7	19.8	148.5	-17.0	14.1
2 Qtr.	4.3	27.4	26.5	49.2	15.1	-18.0
3 Qtr.	-4.5	6.1	22.3	16.0	-15.6	-32.8
4 Qtr.	0.7	38.8	48.9	-13.0	57.7	-15.1
2000 1 Qtr.	19.9	2.6	43.6	-51.0	14.4	22.5
2 Qtr.	17.9	25.0	27.1	0.8	41.3	-7.7
3 Qtr.	18.0	20.2	35.1	-7.4	15.4	175.4
3/ 4 Qtr.	27.2	11.9	8.4	17.6	15.1	-40.9
2001 1 Qtr.	4.9	2.5	-9.2	57.6	-8.8	-18.0
2 Qtr.	5.7	4.6	13.6	6.9	-10.9	81.9

First Hawaiian Bank has discontinued compiling Government Contracts Awarded. Hawaii State Department of Business, Economic Development & Tourism has compiled preliminary estimates beginning with the fourth quarter 1997 based on data in *Building Industry*.

1/ Formerly, this category was "Value of Construction Completed", subject to revision by Hawaii State Department of Taxation.

2/ Includes hotels.

3/ Kauai data for November consist of residential data only.

Source: Hawaii State Department of Taxation; F. W. Dodge; county building departments; First Hawaiian Bank *Building Industry Magazine* (various issues) and tabulations by Hawaii State Department of Business, Economic Development & Tourism.

F. OTHER INDICATORS

Bankruptcy filings increased again in the second quarter of 2001. The increase in the first quarter followed 7 quarters of decline during 1999 and 2000. Both Chapter 7 and Chapter 13 filings rose, and Chapter 11 filings stayed the same.

The total number of bankruptcy filings grew by 11.4 percent in the second quarter 2001 compared to the first quarter of 2000 (Table F-1). Like the increase in the first quarter, this may be related to a pending change in federal bankruptcy law that will impose stricter terms on debtors.

The largest percentage increase was in Chapter 13 filings, which rose by 16.8 percent in the second quarter. This is in contrast to decrease in the first quarter. Chapter 13 bankruptcy allows debtors to work out repayment arrangements with creditors.

Chapter 7 filings, which involve the liquidation of assets and the discharge of some debt, also increased in the second quarter of 2000 to the second quarter of 2001. The number of Chapter 7 filings rose by 10.8 percent.

Chapter 11 filings rose from 4 filings in the second quarter of 2000 to 5 filings in the second quarter of 2001. Chapter 11 filings involve the structuring of repayment plans for companies.

The increase in Hawaii bankruptcy filings matches an increase in filings for the nation as a whole. U.S. bankruptcy filings increased 24.5 percent from the second quarter of 2000 through the first quarter 2001. Quarterly U.S. bankruptcy statistics can be found at:

http://www.uscourts.gov/Press_Releases/601bk.pdf

Total Bankruptcy Filings (Chapters 7, 11, 12, and 13)

